

Message Text

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PAGE 01 STATE 114293
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DRAFTED BYAF/S:DKEOGH:CGJ
APPROVED BYAF:WESCHAUFLE
AFWBEDMONDSON
TREASURY:MR. SOMERFIELD (SUBS)
-----182029Z 067695 /41
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FM SECSTATE WASHDC
TO AMEMBASSY VIENNA NIACT IMMEDIATE
INFO AMCONSUL CAPE TOWN IMMEDIATE
AMEMBASSY DAR ES SALAAM IMMEDIATE
AMEMBASSY GABORONE IMMEDIATE
AMEMBASSY LUSAKA IMMEDIATE
AMEMBASSY MAPUTO IMMEDIATE
AMEMBASSY PRETORIA IMMEDIATE

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E.O. 11652: N/A

TAGS:PFOR, OVIP, EFIN

SUBJ: TREASURY REPORT ON MOBIL OIL VIOLATIONS OF
RHODESIAN SANCTIONS

REF: KATZEN-KEOGH TELECON MAY 18

1. HERewith SUMMARY PROVIDED US BY TREASURY OF SUBJECT
REPORT RELEASED MAY 17.

2. AT A JUNE 21, 1976 WASHINGTON PRESS CONFERENCE, THE
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CENTER FOR SOCIAL ACTION OF THE UNITED CHURCH OF CHRIST
RELEASED A REPORT ENTITLED "THE OIL CONSPIRACY" WHICH
PURPORTED TO DEMONSTRATE THAT PETROLEUM PRODUCTS WERE
REACHING RHODESIA BY WAY OF EXPORT FROM MOBIL'S SOUTH
AFRICAN SUBSIDIARY TO ITS RHODESIAN COUNTERPART. (THE
RHODESIAN FIRM IS A SUBSIDIARY OF THE SOUTH AFRICAN
COMPANY.) TREASURY HAS JUST TRANSMITTED TO THE RELEVANT

SENATE AND HOUSE COMMITTEES ON AFRICAN AFFAIRS ITS FINAL REPORT ON ITS INVESTIGATION OF THE ALLEGATIONS AGAINST MOBIL. THE INVESTIGATION WAS COMPREHENSIVE AND DETAILED, BUT IMPORTANT PARTS OF IT WERE FRUSTRATED BY THE OPERATION OF THE OFFICIAL SECRET ACTS OF SOUTH AFRICA AND RHODESIA. NEITHER THE TREASURY NOR THE MOBIL OIL CORPORATION'S HEAD OFFICE IN THE UNITED STATES WERE ABLE TO OBTAIN DOCUMENTS

FROM THE FILES OF THE TWO SUBSIDIARIES IN QUESTION OR INTERVIEW RELEVANT OFFICIALS OF THOSE COMPANIES BECAUSE OF THE OPERATION OF THESE LAWS. HARD EVIDENCE OF THE TRUTH OF THE ALLEGATIONS COULD ONLY HAVE BEEN ACQUIRED THROUGH THOSE MEANS, IN TREASURY'S VIEW.

3. NOTWITHSTANDING THESE DIFFICULTIES TREASURY PURSUED SEVERAL SECONDARY AVENUES OF INVESTIGATION. FIRST TREASURY CONDUCTED EXTENSIVE INTERVIEWS WITH OFFICIALS OF MOBIL, INCLUDING U.S. CITIZENS WHO HAD SERVED ON THE BOARD OF DIRECTORS OF MOBIL SOUTH AFRICA, TO DETERMINE WHAT KNOWLEDGE, IF ANY, THEY HAD THAT WOULD SUGGEST THAT ILLEGAL TRANSACTIONS WITH RHODESIA HAD TAKEN PLACE. THE FACTS OBTAINED DURING THESE INTERVIEWS WERE INCONCLUSIVE AS TO ANY SUCH OCCURRENCES.

4. IN ADDITION TREASURY INVESTIGATORS ANALYZED WHATEVER RELEVANT RECORDS COULD BE FURNISHED BY THE HEAD OFFICE OF MOBIL FROM ITS OWN FILES. TREASURY ANALYZED AVAILABLE RECORDS OF THE TWO SUBSIDIARY FIRMS, INCLUDING RECORDS OF GAINS OR LOSSES ON FOREIGN EXCHANGE LIMITED OFFICIAL USE

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TRANSACTIONS, AND PAYMENT OF CUSTOMS DUTIES, AS WELL AS INTERNAL PRODUCTION VS. CONSUMPTION FIGURES AND IMPORT AND EXPORT FIGURES FOR SOUTH AFRICA. THIS SEARCH FOR ANY DISCREPANCY THAT WOULD INDICATE THAT SHIPMENTS OF PETROLEUM PRODUCTS TO RHODESIA WERE OCCURRING WAS INCONCLUSIVE.

5. TREASURY ALSO ATTEMPTED TO DETERMINE WHETHER AIRLINES SERVICING RHODESIA DURING THE EMBARGO WHICH USE ONLY MOBIL PRODUCTS SUCH AS JET ENGINE OIL AND GREASE WERE PROVIDED THOSE PRODUCTS IN RHODESIA, THUS INDICATING THAT MOBIL PRODUCTS WERE BEING IMPORTED INTO THAT COUNTRY. TREASURY ALSO INQUIRED OF U.S. PERSONS WHO HAD LIVED IN RHODESIA WHETHER THEY HAD OBSERVED MOBIL OIL PRODUCTS SUCH AS QUART CANS OF MOTOR OIL WHEN THEY WERE THERE. IN BOTH CASES NO VALID EVIDENCE WAS OBTAINED.

6. FINALLY, TREASURY ATTEMPTED TO AUTHENTICATE VARIOUS DOCUMENTS UPON WHICH THE CENTER FOR SOCIAL ACTION HAD

BASED ITS ALLEGATIONS. TWO DOCUMENTS WERE AUTHENTICATED BY HANDWRITING ANALYSIS. HOWEVER ONE OF THE DOCUMENTS WAS COMPLETELY INNOCUOUS. THE OTHER DOCUMENT, WHILE IT REFERRED TO POSSIBLE FUTURE SHIPMENT OF HEXANE, A PETROLEUM PRODUCT, FROM MOBIL SOUTH AFRICA TO MOBIL RHODESIA, DID NOT ESTABLISH THAT SUCH A TRANSACTION EVER OCCURRED OR THAT THERE WAS ANY KNOWLEDGE OR ILLEGAL INVOLVEMENT ON THE PART OF THE UNITED STATES PARENT CORPORATION OR ITS OFFICERS AND DIRECTORS IN ANY SUCH SHIPMENT.

7. IN SUM, IN THE ABSENCE OF ACCESS TO FILES IN SOUTH AFRICA, THE INVESTIGATION DID NOT UNCOVER EVIDENCE THAT WOULD FURNISH A BASIS FOR ANY ENFORCEMENT ACTION OR A REFERRAL OF THE CASE TO THE DEPARTMENT OF JUSTICE FOR PROSECUTION. CHRISTOPHER

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ORIGIN AF-04

INFO OCT-01 ISO-00 /005 R

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DRAFTED BY/AF/S: WEATON

APPROVED BY/AF/S DENSNIS KEOGH

-----231920Z 010063 /43

P 231844Z MAY 77

FM SECSTATE WASHDC

TO AMEMBASSY LONDON PRIORITY

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FOLLOWING REPEAT STATE 114293 ACTION VIENNA CAPE TOWN DAR ES SALAAM GABORONE LUSAKA MAPUTO PRETORIA MAY 18.

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E.O. 11652: N/A

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